

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6738

BILL NUMBER: SB 251

NOTE PREPARED: Jan 28, 2008

BILL AMENDED: Jan 24, 2008

SUBJECT: Local Unit Contracts for Imported Drugs.

FIRST AUTHOR: Sen. Riegsecker

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires a nonresident pharmacy that dispenses more than 25% of the pharmacy's total prescription volume through the Internet to have certain accreditations and display the accreditation in advertisements. The bill allows the Board of Pharmacy to take certain action against the nonresident pharmacy for not being accredited or for failing to display the accreditation.

The bill prohibits a county, a city or town, or a township from entering into a contract with a person to import prescription drugs from a foreign country unless the person entering into the contract is accredited through the National Association of Boards of Pharmacy's Verified Internet Pharmacy Practice Sites.

The bill allows the Attorney General to bring a civil action for relief if a unit enters into a prohibited contract.

Effective Date: July 1, 2008.

Explanation of State Expenditures: (Revised) The bill adds an accreditation requirement for pharmacies located outside of Indiana that dispense more than 25% of their total prescription volume over the Internet. Failure to comply with the accreditation requirement would create cause for the Board of Pharmacy to deny, revoke, or suspend the registration of the pharmacy.

The bill allows the Attorney General (AG) to enforce other provisions of the bill by bringing a civil action. The bill specifies that the terms of relief may include reasonable expenses and attorney's fees incurred by the AG in investigating and enforcing an action and a civil penalty of not more than three times the amount of the contract.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill does not prohibit a county, city or town, or a township from contracting to import prescription drugs from a foreign country; it does require that certain safeguards be in place if the unit chooses to do so. The fiscal impact of this bill would be dependent upon whether any affected units of government are currently importing prescription drugs from entities in foreign countries that do not meet the specifications of the bill. Presumably, such arrangements would be made to provide savings on the purchase of prescription drugs. The bill would provide that any contracts not meeting the required specifications would be void if entered into after July 1, 2008.

Explanation of Local Revenues:

State Agencies Affected: Attorney General's Office.

Local Agencies Affected: All counties, cities or towns, and townships.

Information Sources:

Fiscal Analyst: Kathy Norris, 317-234-1360.